R 5650-2

JAPAN · ECONOMIC · INSTITUTE

JEI REPORT

A Two-Part Report: A and B

NO. 31A

August 14, 1992

JAPANESE POLITICS: ON THE BRINK OF CHANGE OR STUCK IN NEUTRAL?

SUMMARY

Ever since the ruling Liberal Democratic Party suffered a stunning upset in the 1989 House of Councillors elections political commentators have argued that Japan is on the threshold of a new political era in which the LDP no longer would be the perennial party in power. This argument has persisted despite sound victories by the ruling party in the 1990 elections for the more powerful House of Representatives — an outcome that ensured the continuation of a LDP-led government — and more recently in late July's upper house contests when LDP-backed candidates won over half of the 127 seats at stake. In the view of these analysts grass roots disaffection with the LDP's leadership is growing and that, in turn, will precipitate a shake-up in the ruling party-dominated political system.

Change does not appear to be an obvious choice of the electorate, however. Those backing the arguments for change note that voter apathy and a widespread perception that the Japanese people are powerless to influence the "business of politics" were significant factors in the latest election. Various political observers also point out that the opposition parties, either individually or as a coalition, have yet to offer voters a credible leadership alternative. Opinion polls over the past several years have shown a readiness for new leadership as many Japanese have indicated their dissatisfaction with a one party-dominated political system. Election results since 1989, therefore, should be read more as a vote of no-confidence for the political opposition than as a ringing endorsement of LDP rule, these analysts say.

While conditions appear ripe for a skake-up, opinions are mixed as to when or how a transition in Japanese politics will happen. Few observers expect the political opposition to coalesce to mount an effective challenge to the LDP in the lower house contests anticipated for early next year. Some political analysts have speculated that a small LDP breakaway party may precipitate movement or that the ruling party may splinter. Such changes, however, will not happen without action by Japanese voters, whose current indifferent mood may keep the party system stuck in neutral.

LDP's Upper House Wins Mask Discontent

When 69 of the 82 candidates backed by the Liberal Democratic Party won in July's House of Councillors elections, the ruling party declared victory and partial vindication for its humiliating defeat in the 1989 upper house contests. The ruling party's total in this chamber now stands at 108, still 19 shy of a controlling majority and six short of the 114 seats held prior to the elections. Nevertheless, LDP strategists had maintained before the July contests that a win of 64 seats or more of the 127 at stake would represent the public's endorsement of the ruling party's leadership and, in turn, set the stage for the LDP to regain control of the House of Councillors in the 1995 elections (see *JEI Report* No. 28B, July 24, 1992).

The ruling party has held a majority in the more powerful lower house since 1955, and that has ensured 37 uninterrupted years of Liberal Democratic Party prime ministers. Since the opposition parties wrested control of the upper house from the LDP three years ago, however, the ruling party has found it necessary to work with Japan's two centrist parties — Komeito, the second-largest opposition party, and the Democratic Socialist Party, the fourth-largest — to gain passage of nonmoney legislation. As was apparent by the protracted nature of the LDP's dealings with Komeito and the DSP to secure enactment this year of a bill authorizing the overseas dispatch of Self-Defense Forces for United Nations-sponsored peacekeeping operations, coalition-building has proved difficult and has not lent itself to expeditious policymaking (see *JEI Report* No. 23B, June 19, 1992). Thus, by giving the LDP a solid win in the late July upper house contests, ruling party strategists contend that voters, in effect, have indicated that they want the ruling party to reclaim control of the upper chamber and reinstitute the stable, one party-dominated political system under which Japan has prospered.

Most Japanese political observers, however, dismiss this interpretation of the ruling party's performance in the late July elections. When considering the number of seats now held, for example, the LDP's victory is not so impressive. As mentioned, the ruling party still is six seats shy of its preelection strength in the House of Councillors and a whopping 36 seats below its standing before the 1989 trouncing. The Social Democratic Party of Japan, the largest opposition group, did not perform as impressively as it did three years before, but neither did it completely fall down. Of the 43 candidates fielded, 22 won; this was the same number of seats that the SDPJ had up for grabs. The performances of the other major opposition parties were mixed. Notably, the Japan New Party in its first outing and other minor parties garnered an impressive 22 percent of the popular vote in nationwide constituencies (see Tables 1 and 2).

This is hardly a resounding endorsement of the LDP-dominated political system. The reasons cited for this outcome vary, but the ruling party's inaction on some of the key factors that led to its downfall in the House of Councillors elections three years ago no doubt has fueled grass roots disenchantment with the LDP. Specifically, the ruling party vowed in 1989 to tighten campaign financing laws and reform Japan's multiseat system in the lower house as a means of getting at the fundamental causes of the Recruit Co., Ltd. influence-peddling scandal. That affair, which embroiled senior LDP members and forced the resignations of then Finance Minister and now Prime Minister Kiichi Miyazawa and then Prime Minister Noboru Takeshita, was a key issue in the LDP's 1989 upper house debacle. In the intervening period, however, the LDP-led government has been unable to pass any political reform initiative. Similarly, the 3 percent consumption tax against which voters also cast retaliatory votes in the 1989 upper house contests remains in place, although subsequent revisions have eased the burden on some taxpayers.

Some commentators say that the July elections for the House of Councillors more accurately reflected a lack of credible leadership alternatives. The Japanese people are not entirely satisfied with

The JEI REPORT (ISSN 0744-6489) is published weekly except for the New Year, Memorial Day, Labor Day, Thanksgiving and Christmas holiday weeks for $40 per year by the Japan Economic Institute of America, 1000 Connecticut Avenue, N.W., Washington, D.C. 20036. Second class postage paid at Washington, D.C. POSTMASTERS: Send address changes to JEI REPORT, 1000 Connecticut Avenue, N.W., Washington, D.C. 20036.

Table 1: **July 26, 1992 Upper House Election Results**

	Prefectural Constituencies		National Constituencies		Total Won	Held Over	Total Strength	
Liberal Democratic Party	50	(51)	19	(24)	69	39	108	(114)
Social Democratic Party of Japan	12	(13)	10	(9)	22	47	69	(69)
Komeito	6	(3)	8	(7)	14	10	24	(20)
Japan Communist Party	2	(4)	4	(5)	6	5	11	(14)
Democratic Socialist Party	1	(2)	2	(3)	4	3	7	(8)
Rengo	0	(1)	--	(0)	0	12	12	(13)
Japan New Party	--	(--)	4	(--)	4	0	4	(--)
Others	6	(1)	2	(2)	8	9	17	(12)

Note: Preelection status in parentheses

Source: *The Japan Times*, July 28, 1992.

Table 2: **Popular Vote in July 26, 1992 Upper House Elections**

	Prefectural Constituencies			National Constituencies		
	Votes	Share		Votes	Share	
Liberal Democratic Party	19,711,045	43.43%	(30.70%)	14,961,199	33.29%	(27.32%)
Social Democratic Party of Japan	5,846,238	12.88	(26.38)	7,981,726	17.76	(35.05)
Japan Communist Party	4,817,001	10.61	(8.81)	3,532,956	7.86	(7.04)
Rengo	4,399,684	9.69	(6.82)	0	0.00	(0.00)
Komeito	3,550,060	7.82	(5.10)	6,415,503	14.27	(10.86)
Democratic Socialist Party	1,039,979	2.29	(3.63)	2,255,423	5.02	(4.85)
Others	6,019,180	13.27	(18.57)	9,801,890	21.78	(14.88)
Total	45,383,187	99.99	(100.00)	44,948,697	99.98	(100.00)

Note: 1989 election results in parentheses

Source: *The Japan Times*, July 28, 1992.

the ruling party, but neither are they confident that the opposition parties can manage the economic and foreign policy challenges confronting Japan in the post-Cold War era. These sentiments also were apparent in the February 1990 lower house elections; voters at that time gave the LDP the margin of victory it needed to maintain a majority in this chamber but also expanded the SDPJ's roster in the lower house as "checking votes" against the ruling party (see *JEI Report* No. 12A, March 23, 1990).

Japanese political affairs expert Gerald Curtis of Columbia University sees both the 1990 and the 1992 national elections as votes of "nonconfidence in the governing abilities of the political opposition." Given the LDP's fragile support base, aggregate election results do not reflect the extent of public dissatisfaction with the ruling party or the desire for political change, Mr. Curtis contends.[1] In February and March of this year the electorate snubbed the ruling party in two consecutive upper house by-elections in Nara prefecture and Miyagi prefecture, respectively, in reaction to revelations that a former close associate of Prime Minister Miyazawa was arrested on bribery charges and that LDP politicians allegedly received money from a company with ties to organized crime (see *JEI Report* No. 7B, February 21, 1992). But when it came time to select their upper house representatives in late

July, Japanese voters did not lash out at the LDP as harshly as they did in the Nara and Miyagi contests or in the 1989 House of Councillors elections.

Japanese political observers offer the following explanations for why the ruling party appeared to fare as well as it did in the most recent nationwide elections:

Voter Apathy - Political observers contend that Japanese voters in recent years have become increasingly indifferent and cynical about their country's politics. In the July elections, in particular, a record low 50.7 percent of Japan's estimated 94 million eligible voters bothered to cast ballots; the rest evidently preferred the comfort of their homes on a Sunday and the distraction of televised Olympic Games to hot, muggy high school gymnasiums and the other uncomfortable venues where voting usually takes place. Granted, since the upper house does not have the lower house's authority to elect prime ministers, ratify treaties and pass money bills, voter turnout for House of Councillors contests usually is 5 to 10 percentage points less than for House of Representatives elections. Even so, Akira Kurihara, a political sociologist from Rikkyo University, maintains that the average Japanese has become unusually ambivalent about Japanese politics. The Japanese are resigned that "no matter what they do, politics won't change," Mr. Kurihara says.[2]

Mr. Curtis concurs that the electorate generally is fed up with the ruling party's clubby, "smoky backroom" politics. He points out as significant the 20 percent-plus of the popular vote that went to the Japan New Party and other minor parties. Mr. Curtis contends that 70 percent of the Japanese voting public is displeased with the choices they are being offered. This calculation is derived from the 50 percent of the voters who stayed home and the 20 percent who cast "protest" votes for candidates from parties with names and raisons d'etre that range from the Japan New Party and the Welfare and Taxpayers' Party on one end of the spectrum to the Unidentified Flying Object Party and Vinegar-Loving Party on the other end.

In upper house contests Japanese voters cast two ballots: one for an individual representing a prefectural constituency and one for a political party and its slate of candidates. In the nationwide races each party is awarded seats proportional to the number of votes it receives; no more than 50 seats are filled with candidates from these lists. Because of the tremendous expenses associated with fielding individual candidates in prefectural contests, minor parties trying to get a toehold in the upper house usually run a slate of candidates for the so-called proportional seats.

Although voters are dissatisfied with the LDP-dominated status quo, they are not worried enough to deny government leadership to the ruling party. The average Japanese does not perceive the scandals involving the LDP, the peacekeeping support bill and even the sluggish economy as directly affecting their daily lives and wonders why he or she should bother to instigate a political upheaval, Mr. Curtis contends.[3] Virtually all commentators agree that, "warts and all," the Liberal Democrats still are viewed by voters as the only politicians competent enough to lead the country; thus, even when turnout is low, the LDP usually receives the greatest share of votes.

Opposition Party Pitfalls - The opposition parties once again in the latest vote failed to project a credible leadership image. Following the SDPJ's unprecedented gains in the 1989 upper house elections, the Socialist-led opposition had an opportunity to exercise greater influence in the policymaking process and, in turn, demonstrate that it possessed a coherent "vision" of Japanese domestic and foreign policies. The SDPJ's inability in the 1990 lower house contests to match its victory seven months before suggested to the Japanese people that the political opposition was unable to rise to this challenge (see *JEI Report* No. 48A, December 21, 1990). Even in preparing for the 1992 upper house races, the opposition parties appeared unable to learn from past experiences. The poor electoral strategy, lack of well-conceived policy alternatives, ideological differences and inter- and intra-party divisiveness that were the political opposition's undoing in the 1990 lower house elections also were apparent during the more recent upper house races.

Particularly illustrative of the SDPJ-led opposition's tendency to rely on reactive strategies rather than attempting to seek compromise was its handling of the U.N. peacekeeping support bill. During Diet debate on the legislation the Socialists argued vociferously that the dispatch of SDF personnel to provide even nonmilitary support to U.N. peacekeeping operations would constitute a blatant violation of Japan's "peace constitution." Public opinion polls that showed as many as 53 percent of the respondents against the legislation seemed to buttress this approach, but other polls indicated that the Japanese people backed the bill as a means of demonstrating the country's willingness to assume greater responsibility for global political developments. In light of these differing attitudes the SDPJ, the Japan Communist Party and other opponents remained committed to their principles but then employed a variety of obstructionist tactics to block enactment.

Members of the Socialist-led opposition had no compunctions about rushing the podium (in effect, physically threatening the chairman) during committee deliberations and voting. An even more dramatic demonstration of opposition party members' willingness to resort to extreme actions was the SDPJ's orchestration of an "ox-walk." This walking filibuster, in which participants file into the chamber one-by-one and walk excruciatingly slowly to the ballot box to cast their votes, dragged out the final upper house vote on the U.N. peacekeeping support bill for more than three days. Moreover, this strategy ultimately was ineffective in undermining support for the legislation in the Diet and back in members' districts.

The Socialists then made enactment of the peacekeeping support bill the central issue of the July upper house elections in the hope of tapping still strong pacifist sentiments at the grass roots and cutting into the LDP's support base. Political observers contend, however, that the SDPJ's emphasis on the peacekeeping support bill and particularly its filibuster strategy ultimately backfired. Televised coverage of the "ox walk" made opponents appear silly — and, thus, ill-equipped to govern — rather than passionately committed to a position.

Differences within the political opposition on the peacekeeping support bill also hurt the SDPJ and others at the polls. As mentioned, the SDPJ, the JCP and the tiny United Social Democratic Party allied to oppose the bill; Komeito and the DSP joined forces with the LDP to enact the measure. The lack of a unified opposition undermined the Socialist-led effort to discredit the ruling party's policy. The divided opposition front particularly hurt Rengo, the political arm of the Japan Trade Union Confederation, which had touted itself as "adhesive" for an anti-LDP coalition. None of the 22 candidates fielded by the party in the late July contests was successful.

State of the Economy - Some analysts have proposed that the electorate's apparent unwillingness to hand the LDP a major setback in the July contests as well as other elections is related to the state of the Japanese economy. The most popular theory — which has appeared so often in the media that many pundits now offer it as conventional wisdom — holds that Japanese voters tend to stick with the LDP when the economy is not faring well. One proponent of this view appears to be Komeito secretary general Yuichi Ichikawa, who was quoted after the July elections as saying that the Japanese people "reach for stability" in politics and the economy, even though they may say the country needs drastic changes.[4]

A recent report, however, suggested that the correlation between economic conditions and voting behavior resembles the U.S. pattern; that is to say, recessions usually hurt incumbents of the president's party. Reseachers for Nippon Credit Bank, Ltd. considered the election results for the previous nine House of Councillors elections (1965-89) and, using short-term manufacturing surveys as an indicator of the general economic outlook, concluded that when satisfaction with economic conditions declined, so did votes for the LDP. When Japan faced international economic crises, however, ruling party candidates tended to benefit. Political scandals also interfered with the correlation between economic conditions and voting behavior, the Nippon Credit report said.[5]

Yoshiaki Kobayashi, a Keio University professor, challenged the bank study and offered yet another explanation for how and why LDP candidates may be affected by the economy's ups and downs. "The [Nippon Credit] report ignores a critical difference in the voting pattern between rural and urban areas," Mr. Kobayashi argued. "When the economy is bad, people in rural districts increase their support for the ruling LDP ... because they expect more public works to be provided to stimulate the local economy and they think only the LDP can do that."[6]

Table 3, which uses Economic Planning Agency statistics to determine the overall state of the economy, generally appears to give credence to the theory that LDP candidates benefit during economic downturns when they are up for election in the lower house. When considering upper house elections, however, this theory does not hold up as well in the 1974-92 period and completely breaks down in earlier years.

Table 3: **Relationship between State of Economy and LDP's Electoral Performance**

Lower House Elections			**Upper House Elections**		
Year	State of Economy	Seats Won/Lost	Year	State of Economy	Seats Won/Lost
1960	Expansion	+9	1959	Expansion	+10
1963	Expansion	-13	1962	Recession	-2
1967	Expansion	-6	1965	Recession	+2
1969	Expansion	+11	1968	Expansion	-2
1972	Expansion	-17	1971	Recession	-7
1976	Expansion	-14	1974	Recession	0
1979	Expansion	-9	1977	Recession	+1
1980	Recession	+38	1980	Recession	+6
1983	Expansion	-36	1983	Expansion	-1
1986	Recession	+50	1986	Recession	+4
1990	Expansion	-14	1989	Expansion	-36
			1992	Recession (unofficial)	+33

Note: Recessions and expansions as defined by the Economic Planning Agency based on industrial output and other indicators under a procedure that results in more recessions than would occur under the American notion of recession, which typically is defined as two consecutive quarters of negative growth in the gross national product.

Sources: Economic Planning Agency and, for upper and lower house election results, Ministry of Home Affairs and Gerald L. Curtis, *The Japanese Way of Politics* (New York, New York: Columbia University Press, 1988), appendix.

Some analysts conclude from this data that it is hard to document a link between the economy and voter support for the ruling party. The numbers can be manipulated to support whatever one wishes, they say. In fact, some members of the business community contend that general economic conditions have absolutely no impact on the voting behavior of the average Japanese. A specific economic policy, such as a tax on businesses or individuals, can provoke an anti-LDP response. When voters went to the polls three years ago to select their upper house representatives the 3 percent consumption tax certainly fanned the fires of discontent. However, projections that the Japanese economy will grow by far less in 1992 than the 3.5 percent forecast by Tokyo's economic planners (see *JEI Report* No. 30A, August 7, 1992) did not appear to incite an anti-LDP revolt in the recent elections. Voter apathy and lack of confidence in the political opposition were the salient factors that affected the outcome at the polls, these businessmen say.

Forces for Change Rumble Beneath the Surface

The Japanese people at the moment still appear unwilling — or simply do not care — to rock the boat skippered by the LDP for nearly 40 years. Dissatisfaction with the political system is as much evident as is disenchantment with the ruling party. While the LDP could help engineer an overhaul of the system, after so many years in power ruling party politicians have too much vested in the current arrangement. Japanese political experts contend, however, that transformation forces are at work beneath the surface that, if properly tapped, could result in a major reconfiguration of the current political party structure. The question for which no one seems to have the answer is exactly what event would trigger a public outcry for major systemic change.

Kent Calder, an expert on Japanese politics at Princeton University, suggests that traditional business support for the LDP may be waning. The dominance of that conservative party is becoming less important for big business than it was during the high-growth period of the 1960s and 1970s, Mr. Calder contends. Because industry finds itself less reliant on debt, the need to avoid change in the political environment is less acute. Moreover, with the increasing multinationalization of Japanese companies LDP-style pork-barrel politics no longer effectively serve the interests of the business mainstream.[7] Mr. Calder adds that changing demographics and quality of life issues also will create pressures for political change. "The Japanese electorate is more urban, more fluid and more critical ... and more internationally conscious than that of the past," he says. "It is an electorate that is more volatile, and that manifests less one-party loyalty than was true until the late 1970s."

Columbia University's Mr. Curtis suspects that the growing sense of social inequality in Japan could be the powder keg provoking a restructuring of the political system.[8] Much of the postwar Japanese social order and the nation's political stability have been built on the pervasive public belief that Japanese society is relatively fair to all and that the government would act to foster social equality, Mr. Curtis explains. The government no longer may be able to provide this equality, however. In recent years, for example, Tokyo has come under pressure from Washington to gradually strip away the societal "equalizer" provided by subsidies and market protection for Japanese farmers. Thus, when Tokyo in 1988 agreed to liberalize imports of beef and oranges this action came to symbolize for Japanese farmers the "readiness of the LDP to sacrifice their interests to protect big manufacturing industries from U.S. protectionist measures," Mr. Curtis suggests, noting that the subsequent retaliation surfaced in the 1989 upper house elections.

In addition, the Columbia University scholar says that the "settling down" of Japanese society has begun to create new class distinctions and "distortions in the institutions and policies that originally were adopted to foster equality." Only students from upper middle-class and well-educated families earn entrance to prestigious Tokyo University, for example, and the progeny of successful businessmen and politicians often are handed the leadership reins in both business and government rather than working their ways through the ranks. Adding to the growing perception of an elite class, Japan's so-called bubble economy, driven by stock market and real estate speculation, produced a new group of "super rich," Mr. Curtis notes.

The common thread angering voters in the 1989 upper house elections was that the Recruit affair, which involved bribery as well as insider trading, plus the consumption tax and agricultural liberalization sorely offended the public's sense of what is just, fair and equitable about Japanese society, according to Mr. Curtis and others (see *JEI Report* No. 32A, August 18, 1989). If anything, these inequalities have worsened in the intervening three years. Judging by voters' choices in the 1990 lower house elections and the recent upper house elections, however, the Japanese people still appear worried that by fully venting their frustrations with the political status quo they will disrupt the prosperity that many of them have come to take for granted. Too, since the opposition parties do not present a more attractive alternative, the restive electorate has no one to turn to in revolt. Scared of testing the mettle of an untried alternative leader, the Japanese people apparently prefer to tread water for the time being.

Political Realignment: All Talk, No Action ... for Now

In the weeks leading up to the July upper house contests numerous articles and editorials appearing in both the Japanese and the English-language press speculated that these elections could open the door to reconfiguration of the political opposition and even, perhaps, of the LDP. Some analysts predicted a split between the SDPJ's right and left wings and the formation of a new center-left party, comprised of the Socialists' right wing and one of the centrist parties. There also has been speculation that the ruling party is poised to splinter, with some factions aligning themselves with one of the centrist parties or the right wing of the SDPJ. These analysts couched their predictions on the results of recent opinion polls that showed nearly 60 percent of the respondents favored the formation of a coalition government incorporating the LDP and at least one of the opposition groups.[9]

The Japan New Party, which fielded 16 candidates in the July elections and captured four seats, has attracted considerable attention as one possible instigator of political change. Although the number of seats captured by the fledgling group is small, the two-month-old party staged a stronger showing than any other newly established party since the upper house's proportional representation system was introduced in 1983. Many commentators attributed the party's surprisingly strong debut to voter disaffection and a desire for change. Even Shin Kanemaru, deputy prime minister and one of the most influential figures in the LDP, reportedly remarked that the breakaway party may develop into a driving force for change.

The Japan New Party founder, Morihiro Hosokawa, a former LDP upper house member and ex-governor of Kumamoto prefecture, contends that the established parties are incapable of reforming the political system and coping with fast-changing political and economic developments both at home and abroad. A completely new party is needed to lead Japan into the future, Mr. Hosokawa contends. The Japan New Party seeks to eliminate the current government bureaucracy, which the former Kumamoto governor feels is too centralized and inefficient. Instead, the party would delegate authority to local governments for everything but defense and diplomacy.

Other political observers offer a less glowing appraisal of the JNP's performance in the upper house elections and are not optimistic that the party will develop into the catalyst for reform that Mr. Hosokawa thinks it will. Mr. Curtis, who believes that conditions are ripe for a major assault on the LDP, does not regard the JNP's four-seat win as effectively tapping voter restiveness. Nathanial Thayer of Johns Hopkins School of Advanced International Studies agrees that it is too soon to declare that the system is beginning to experience a shake-up. The proof of the new party's popularity and alleged potential for transformation will come with next year's lower house elections, for which Mr. Hosokawa's group will have to run considerably more than 16 candidates if it wants to pose a threat to the LDP or otherwise disrupt the established order.

Messrs. Curtis, Thayer and other analysts also discount predictions of a split in the Socialist camp or a splintering of the LDP. Rumors of a formal separation of the moderate and the liberal wings of the SDPJ have been rampant for some time. After the Socialists failed to effectively exploit their 1989 victory, these rumors intensified. History has shown, however, that the SDPJ has tended to become paralyzed, rather than mobilized, by divisions within its ranks (see *JEI Report* No. 48A, December 21, 1990).

A coalition that includes all elements of the political opposition also is unlikely. For the past three years the political opposition has held numerous conferences, summits of party heads and other brainstorming sessions in a vain attempt to forge a unified front. Personalities and ideological differences repeatedly have interfered with this process. The strong disagreements that were aired between and among the opposition groups concerning the peacekeeping support bill virtually has snuffed any interest in an anti-LDP opposition front in the near future.

Kazuo Aichi, a former director general of the Environment Agency and a member of the LDP's Takeshita faction, recently was quoted as saying that one of the reasons that his faction pulled

out the stops to expand its membership in the July upper house elections was so it could play a leading role in any future party realignment.[10] Other reports contend that Ichiro Ozawa, a former LDP secretary general and a leading player in the Takeshita faction, is pushing for the formation of a party comprised of the Takeshita group and Komeito.[11]

In the wake of the July elections, however, most analysts are skeptical that an opposition party/LDP coalition or realignment will occur, despite what public opinion polls indicate or what these politicians have told the press. Mr. Curtis notes that for at least the past decade polls have shown that the Japanese public would prefer an arrangement that allows the opposition parties to participate with the LDP in governing the country. But this has not occurred and will not occur, he says, because the public has not forced the ruling party to change.

Moreover, the current political arrangement offers virtually no incentive for a major LDP faction to relinquish actual or potential control of the government for the purpose of forming a new party regardless of poll indications that such a move would be good for the country.[12] Most postmortem commentaries on the recent upper house elections contained the same theme: given the opposition parties' majority in the House of Councillors, the ruling party's best bet for the foreseeable future is to keep the door open to further cooperation on an issue-by-issue basis with Komeito and the DSP to ensure passage of nonmoney bills.

Outlook: What Would It Take To Trigger Change?

Most analysts contend that the July upper house contests confirmed that the current LDP-dominated political system will remain intact for the foreseeable future. However, the nature of voter behavior in these elections — the low turnout and the relative success of minor party candidates — suggests an increasing dissatisfaction with the political status quo. What has emerged is a Catch-22 situation. People are discontented, but since there are no attractive leadership alternatives they grudgingly stick with what is familiar and that, in turn, breeds even more dissatisfaction. Japanese political observers contend that conditions are so ripe for a major overhaul of the party system that, given the right trigger, a dramatic upheaval could occur at any time. Without a catalyst, however, change could be a long time in coming.[13]

The question is: What would provoke the electorate to demand major changes in Japanese politics and policymaking? Another major scandal in which senior ruling party politicians received huge sums of money might push voters over the edge, particularly if the LDP-led government is not perceived as having addressed effectively its promise to improve the average Japanese person's living standards. In this regard, rumors have been circulating that one senior LDP member and one opposition party official may be arrested in the near future in connection with a scandal that surfaced earlier this year involving Tokyo Sagawa Kyubin Co., Ltd.'s alleged ties to organized crime groups (see *JEI Report* No. 7B, February 21, 1992). Insiders do not believe, however, that this particular affair will be serious enough to upend the LDP or shake up the current party structure.

It is unclear to what extent the general state of the economy really influences voter behavior. But the Japanese people might demand a systemic overhaul if the economic policies pursued by the current or future LDP-led governments are viewed as burdening certain segments of the population over others and/or have begun to seriously undermine Japanese industrial competitiveness.

Another possible trigger may come in the foreign policy area. If the electorate feels that the ruling party is pushing Japan to shoulder international political responsibilities in a manner that appears to fly in the face of the principles on which the country's postwar foreign affairs have been conducted, the Japanese people may propel one of the pacifist-leaning opposition groups (the SDPJ, for example) into a leadership position. This only would be possible, however, if the Socialists, on their own or in concert with other opposition groups, were to develop a comprehensive, well-conceived vision for Japan's foreign as well as its domestic policies.

Some combination of all three developments might provoke an outcry at the polls even more dramatic than occurred in the 1989 upper house elections. Analysts emphasize, however, that it is up to the Japanese people to indicate unequivocally their desire for change. Political parties on their own tend to suffer from inertia.

For further information, contact **Barbara Wanner**.

Mark Wu provided research assistance.

Notes

[1]Telephone interview with Gerald L. Curtis, Columbia University, New York, New York, August 4, 1992.

[2]Jocelyn Ford, "Voter Apathy Keeps Campaign Cool," Kyodo News Service, July 22, 1992.

[3]Curtis, *op. cit.*

[4]David Sanger, "Ruling Party Wins In Japan Vote But Victory Is Diluted By Apathy," *The New York Times*, July 27, 1992.

[5]Cited in Nathaniel B. Thayer, *Japan's July 26, 1992 Elections: What To Look For* (Washington, D.C.: Johns Hopkins School of Advanced International Studies, 1992), p. 9.

[6]Shu Watanabe, "Executives Are Mixed In Backing LDP," *The Japan Times*, July 17, 1992, p. 3.

[7]Kent E. Calder, *Japan's Changing Political and Economic System: Implications for Japan's Global Role*, paper prepared for the Georgetown University-Japan Economic Institute Conference on Japan's Future Global Role, Washington, D.C., March 11-14, 1992, pp. 5-7.

[8]Gerald L. Curtis, *Change and Nonchange in Japan's Electoral Politics: Analysis of the 1990 Lower House Election* (New York, New York: Columbia University, 1990), p. 13.

[9]Robert Delfs, "Seeds of Change," *Far Eastern Economic Review*, July 23, 1992, p. 21.

[10]*Ibid.*

[11]Toshihiro Ando, "Opposition's Fractures Kill Coalition Concept," *Nikkei Weekly*, August 1, 1992, p. 7.

[12]Curtis (1992), *op. cit.*

[13]Curtis (1992), *op, cit.*

* * * * * *

The views expressed in this report are those of the author and do not necessarily represent those of the Japan Economic Institute.